

# Appendix 7 - Budget and Policy Framework Procedure Rules

## 1. The framework for Cabinet decisions

The Council will be responsible for the adoption of its budget and policy framework. Once a budget or a policy framework is in place, it will be the responsibility of the Cabinet to implement it.

## 2. Process for developing the framework

The process by which the budget and policy framework shall be developed is:

- (a) The Cabinet will publicise a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework, and its arrangements for consultation after publication of those initial proposals. The Chairman of the appropriate Improvement and Scrutiny Committee will also be notified. The consultation period shall in each instance be not less than 6 weeks.
- (b) At the end of that period, the Cabinet will then draw up firm proposals having regard to the responses to that consultation. If a relevant Improvement and Scrutiny Committee wishes to respond to the Cabinet in that consultation process then it may do so. As the Improvement and Scrutiny Committee have responsibility for fixing their own work programme, it is open to the Improvement and Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Cabinet will take any response from an Improvement and Scrutiny Committee into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the Cabinet's response.
- (c) Once the Cabinet has approved the firm proposals, they will be referred at the earliest opportunity to the Council for decision.
- (d) In reaching a decision, the Council may adopt the Cabinet's proposals, amend them, or if it has objections refer them back to the Cabinet for further consideration as provided for in paragraph (k) or (l) below.
- (e) If it accepts the recommendation of the Cabinet without amendment, the Council may make a decision which has immediate effect.

Otherwise, it may only make a decision in principle. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.

- (f) The decision will be publicised in accordance with Appendix 3 and a copy shall be given to the Members.
- (g) The decision will automatically become effective 5 days from the date of the Council's decision, unless the Leader informs the proper officer in writing within 5 days that he/she objects to the decision becoming effective and provides reasons why.
- (h) In that case, the Director of Legal and Democratic Services will call a Council meeting within a further 10 days. The Council will be required to re-consider its decision and the written submission.

The Council may

- (i) approve the Cabinet's recommendation by a simple majority of votes cast at the meeting; or
  - (ii) approve a different decision which does not accord with the recommendation of the Cabinet by a simple majority.
- (i) The decision shall then be made public in accordance with Appendix 6, and shall be implemented immediately;
  - (j) In approving the budget and policy framework, the Council will also specify the extent of virement within the budget and degree of in-year changes to the policy framework which may be undertaken by the Cabinet, in accordance with paragraphs 5 and 6 of these Rules (virement and in-year adjustments) where this differs from that already expressed in Financial Regulations. Any other changes to the policy and budgetary framework are reserved to the Council.
  - (k) Where the Cabinet has submitted a draft plan or strategy to the Council for its consideration, and following consideration of that draft plan or strategy, the Council has any objection to it, the Authority must take the action set out in paragraph 3 of the Standing Order Regulations.
  - (l) Where, before 8<sup>th</sup> February in any financial year, the Cabinet submits to the Council for its consideration in relation to the following financial year:

- (i) estimates of the amounts to be aggregated in making a calculation (where originally or by way of substitute) in accordance with any of sections 32-37 or 43-49, of the Local Government Finance Act 1992;
- (ii) estimates of other amounts to be used for the purposes of such a calculation;
- (iii) estimates of such a calculation; or
- (iv) amounts required to be stated in a precept under Chapter IV of I of the Local Government Finance Act 1992,

and following consideration of those estimates or amounts, the Council has any objections to them, it must follow the procedure in paragraph 7 to 10 of the Standing Order Regulations.

**Note:** The Standing Order Regulations are the Local Authorities (Standing Orders) (England) Regulations 2001 (SI 2001 No 3384)

### **3. Decisions outside the budget or policy framework**

- (a) Subject to the provisions of paragraph 5 (virement), the Cabinet, committee of the Cabinet, individual members of the Cabinet and any officers, or joint arrangements discharging cabinet functions may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary or not only in accordance with the budget approved by full Council, then that decision may only be taken by the Council, subject to 4 below.
- (b) If the Cabinet, committee of the Cabinet, individual members of the Cabinet and any officers, or joint arrangements discharging cabinet functions want to make such a decision, they shall take advice from the Monitoring Officer and the Chief Financial Officer as to whether the decision they want to make would be contrary to the policy framework or contrary to, or not wholly in accordance with, the budget. If the advice of either of those officers is that the decision would not be in line with the existing budget and/or policy framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 (urgent decisions outside the budget and policy framework) shall apply.

### **4. Urgent decisions outside the budget or policy framework**

- (a) The Cabinet, a committee of the Cabinet, and individual member of the Cabinet or officers, or joint arrangements discharging cabinet functions may take a decision which is contrary to the Council's policy framework or contrary to, or not wholly in accordance with, the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:
  - (i) if it is not practical to convene a quorate meeting of the full Council; and
  - (ii) if the Chairman of a relevant Improvement and Scrutiny Committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the Chairman of the relevant Improvement and Scrutiny Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chairman of a relevant Improvement and Scrutiny Committee, the consent of the Chairman of the Council or, in the absence of both, the Civic Chairman of Derbyshire County Council will be sufficient.

- (b) Following the decision, the decision-taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it, and why the decision was treated as a matter of urgency.

## **5. Virement**

- (a) Steps taken by the Cabinet, a committee of the Cabinet, an individual member of the Cabinet or officers, or joint arrangements discharging cabinet functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, such bodies or individuals shall be only be entitled to vire budget in accordance with the provisions contained within the Council's Financial Regulations.

## **6. In-year changes to policy framework**

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, a committee of the Cabinet, an individual member of the Cabinet or officers, or joint arrangements discharging cabinet functions must be in line with it. No changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals except those changes:

- (a) which will result in the closure or discontinuance of a service or part of a service to meet a budgetary constraint;
- (b) necessary to ensure compliance with the law, ministerial direction or government guidance;
- (c) in relation to the policy framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration;
- (d) which relate to policy in relation to schools where the majority of school governing bodies agree with the proposed change.

**7. Call-in of decisions outside the budget or policy framework**

- (a) Where an Improvement and Scrutiny Committee is of the opinion that a cabinet decision is, or if made would be, contrary to the policy framework, or contrary to, or not wholly in accordance with the Council's budget, then it shall seek advice from the Monitoring Officer and Chief Financial Officer.
- (b) In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or Chief Finance Officer's report shall be to the Cabinet with a copy of the same to every member of the Council. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the Monitoring Officer's report and/or the Chief Finance Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the Chief Finance Officer conclude that a decision was a departure, and to the Improvement and Scrutiny Committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure.
- (c) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and/or the Chief Financial Officer is that the decision is, or would be, contrary to the policy framework or contrary to, or not wholly in accordance with the budget, the Improvement and Scrutiny Committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within 10 days of the request by the Improvement and Scrutiny Committee. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or Chief Finance Officer. The Council may either;

- (i) endorse a decision or proposal of the executive decision-taker as falling within the existing budget and policy framework. In this case no further action is required save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
- (ii) amend the Council's Financial Regulations or policy concern to encompass the decision or proposal of the body or individual responsible for that cabinet function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
- (iii) where the Council accepts that the decision or proposal is contrary to the policy framework or contrary to, or not wholly in accordance with, the budget, and does not amend the existing framework to accommodate it, require the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Finance Officer.

